Message Text

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ACTION AF-18

INFO OCT-01 EUR-25 ADP-00 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 SAL-01 SS-14 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-09 NSAE-00 TRSE-00 XMB-07 OPIC-12

LAB-06 SIL-01 L-03 H-02 IO-12 PA-03 PRS-01 USIA-12

RSR-01 /185 W

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R 141205 Z MAR 73

FM AMEMBASSY NIAMEY

TO SECSTATE WASHDC 509 3

INFO AMEMBASSY ABIDJAN

AMEMBASSY ACCRA

AMEMBASSY ADDIS ABABA

AMEMBASSY BAMAKO

USMISSION EC BRUSSELS

AMEMBASSY COTONOU

AMEMBASSY DAKAR

AMEMBASSY LAGOS

AMEMBASSY LOME

AMEMBASSY LONDON

AMEMBASSY OUAGADOUGOU

AMEMBASSY PARIS

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E. O. 11652: N/ A TAGS: PFOR, SG

SUBJECT: NIGER, EEC ANB CEAO

REF: NIAMEY 619

FOLLOWING UP ON DUNCAN VISIT, AND IN VIEW OF UNEXPECTED APPEARANCE IN NIAMEY ON MARCH 9 OF DENIAU OF EEC COMMISSION, I SAW PRESIDENT DIORI ON MARCH 13 TO CHECK CURRENT STATE OF PLAY, AND DIORI'S REACTION TO IT, ON TWO MAJOR ECONOMIC ISSUES OF AFRICAN- EEC LIMITED OFFICIAL USE

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RELATIONS AND CEAO. I ALSO CONSULTED WITH FRENCH AMBASSADOR GASCHIGNARD WHO HAD OBVIOUSLY RECEIVED FILL IN FROM DENIAU.

2. SPEAKING IN FAIRLY BROAD- BRUSH TERMS, DIORI SAID HE HAD MADE FOLLOWING PROPOSALS TO DENIAU REGARDING FUTURE AFRICAN- EEC RELATIONS: FIRST, EEC SHOULD SPONSOR ESTABLISHMENT OF PRICE- SUPPORT AND STABILIZATION FUND FOR PRIMARY PRODUCT EXPORTS OF AFRICAN LDCS, BOTH PRESENT YAOUNDE ASSOCIATES AND FUTURE "ASSOCIABLES". IN MANNER DIORI DID NOT ENTIRELY CLARIFY, THIS FUND WOULD OPERATE IN DIVERSIFIED AND GRADUATED FASHION. BY WAY OF ILLUSTRATION, DIORI SAID COUNTRY LIKE IVORY COAST, HAVING CONSIDERABLE RANGE OF PRIMARY PRODUCT EXPORTS, WOULD BENEFIT FROM SUPPORT FOR ONLY PRINCIPAL ONES LIKE COFFEE, COCOA AND BANANAS. ITS MINOR COTTON EXPORTS, ON OTHER HAND, WOULD NOT BE ENTITLED TO SAME DEGREE OF SUPPORT AS COUNTRY LIKE CHAD, WHERE COTTON WAS SOLE MAJOR WORLD EXPORT. SAME TREATMENT WOULD BE ACCORDED SENEGAL AND NIGER'S PEANUTS, DAHOMEY'S PALM OIL, MAURITIUS SUGAR, ETC., WITH EMPHASIS ON AIDING ONE- CROP ECONOMIES.

COMMENT: IN STATEMENT ISSUED ON HIS NIAMEY VISIT DENIAU INDEED LAID PARTICULAR STRESS ON IMPORTANCE HE ATTACHES TO PROBLEM OF PRIMARY PRODUCT PRICE SUPPORTS. "EUROPE," HE NOTED IN STATEMENT CIRCULATED BY AFP, "SHOULD PLAY ROLE AS AN INSURANCE FUND SO THAT AFRICANS ARE NOT SUBJECT TO EXCESSIVE VARIATIONS IN PRICES OF THEIR PRODUCTS, PRINCIPALLY THOSE COUNTRIES WHOSE ECONOMY DEPENDS ON ONE OR TWO PRIMARY EXPORTS". AS DEPARTMENT IS AWARE THIS IS NOTE FRENCH REGULARLY SOUND IN CONTEXT THEIR AFRICAN RELATIONS. WHETHER THIS IS ONLY LIP SERVICE OR INDICATIVE OF SERIOUS INTENTION TRY TO SOLVE THIS BASIC PROBLEM, IS HOWEVER OPEN TO QUESTION.

SECOND POINT DIROI MADE TO DENIAU WAS THAT EEC SHOULD NO LONGER DEMAND, NOR AFRICAN COUNTRIES GRANT, ANY REVERSE PREFERENCES, AND THIS WHOLE CONTENTIOUS FEATURE OF PRESENT SYSTEM WOULD BE ABANDONED. DIORI SAID HE HAD POINTED OUT THAT AFRICAN LDCS SHOULD BE PERMITTED TO LEVY CERTAIN "FISCAL TAXES" ON EEC IMPORTS IN VIEW OF IMPORTANT ROLE PLAYED IN ALL THESE COUNTRIES BY SUCH TAXES AS A SOURCE OF BUDGETARY REVENUE.

THIRDLY, DIROI HAD REITERATED TO DENIAU THESIS PRESIDENT
HAS ADVANCED ON PREVIOUS OCCASIONS TO EFFECT AFRICAN LDCS, FOR
PURPOSE OF FUTURE EEC ASSISTANCE, SHOULD BE DIVIDED INTO THREE
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CATEGORIES: 1) POOREST COUNTRIES FOR WHOM ALL AID WOULD BE ON

GRANT BASIS; 2) INTERMEDIATE GROUP WHO WOULD RECEIVE MIXTURE OF GRANTS AND LOANS (PERHAPS ON 60/40 PERCENT BASIS); AND FINALLY 3) MORE ADVANCED LDCS WHO WOULD BE ENTITLED ONLY TO LOANS. DENIAU'S REACTION TO THIS, GASCHIGNARD SAID, WAS THAT IT WAS ISSUE TO BE SETTLED IN FIRST INSTANCE AMONG AFRICAN LDCS THEMSELVES. HE FORESAW CONSIDERABLE DIFFICULTY IN AGREEMENT BEING REACHED, FOR EXAMPLE, ON WHO WOULD BE WILLING FOREGO GRANT AID, AND SO ON.

3. ON SECOND MAJOR PIECE OF CURRENT AFRICAN ECONOMIC BUSINESS, CEAO. DIROI CONFIRMED WHAT BEMBELLO HAD TOLD US DURING DUNCAN VISIT, NAMELY THAT NIGER'S MAIN PREOCCUPATION WAS WITH ORGANIZATION OF PAYMENTS ARRANGEMENT TO FACILITATE INCREASED INTRA- AFRICAN TRADE AMONG ANGLOPHONES AND FRANCOPHONES. DIORI SAID HE WAS DISPATCHING HIS FINANCE MINISTER TO MARCH 14 OUAGADOUGOU MEETING OF WEST AFRICAN MONETARY UNION (UMOA), WHICH IS CONTINUING DIS-CUSSION OF REFORM OF UMOA SYSTEM STARTED AT EARLY DECEMBER NIAMEY SESSION OF THIS BODY, WITH STRONG INSTRUCTIONS ARGUE IN BEHALF OF CRUCIAL IMPORTANCE OF SUCH A PAYMENTS SYSTEM TO SUCCESS OF CEAO. DIORI HOWEVER WAS NOT EXPLICIT AS TO WHETHER ACCEPTANCE OF THIS PROPOSAL WAS PRE- CONDITON TO NIGER'S FULL PARTICIPATION IN CEAO. HE ALSO COULD NOT SAY WHETHER NIGERIANS OR GHANAIANS WOULD BE INVITED OR WOULD ATTEND PROJECTED LATE MARCH/ EARLY MAY CEAO MEETING IN ABIDJAN. DIROI ALSO SEEMED UNAWARE OF REPORTED SENEGALO- IVOIRIAN INTENTION (DAKAR'S 0931) TO GO AHEAD WITH CEAO ON QUADRIPARTITE BASIS (WITH ONLY MALI AND UPPER VOLTS) IF NIGER, DAHOMEY AND TOGO WERE UNWILLING TO DO SO. HE REACTION TO THIS WAS SOMEWHAT BRUSQUE TO EFFECT THAT IN THIS EVENT NIGER WOULD GO AHEAD WITH SUCH COUNTRIES AS DAHOMEY, TOGO AND NIGERIA AND SEEK TO SET UP SUB- REGIONAL GROUPING.

OTHER MAIN ITEM ON OUAGA UMOA AGENDA WAS "RELAXATION" ("ASSOUPLISSEMENT") OF BCEAO SYSTEM IN DIRECTION OF GREATER AFRICAN SAY IN MONETARY POLICY MATTERS (SUCH AS FUTURE FRENCH FRANC DEVALUATIONS), AND USE OF PORTION OF EXCESSIVE BCEAO RESERVES FOR DEVELOPMENT LOANING.

4. ON SUBJECT OF NIGERIAN ERUPTION INTO ARENA OF AFRICAN/EEC RELATIONS AT RECENT ECA ACCRA MEETING, DIORI, WHILE RECOGNIZING THAT NIGERIAN HARDLINE WITH RESPECT TO EEC SYSTEM COULD TACTICALLY STRENGTHEN AFRICANS' HAND IN RENEGOTIATION OF YAOUNDE CONVENTION, LIMITED OFFICIAL USE

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EXPRESSED HOPE NIGERIANS COULD BE BROUGHT TO SOMEWHAT SOFTEN THEIR APPROACH. IT WAS ALL VERY WELL, DIORI OBSERVED WRYLY, FOR POWERFUL COUNTRY LIKE NIGERIA TO INVEIGH AGAINST NEO- COLONIALIST EVILS OF YAOUNDE SYSTEM, SINCE IT COULD GET ALONG WITHOUT LATTER IN LAST ANALYSIS, WHEREAS SMALL AND POOR COUNTRY LIKE NIGER COULD NOT.

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